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Transmission Working Group, January 2011

I. Grasslands Update
   A. Gordon Butte Energy Park
   B. Wind Spirit and GPNI
   C. Coffin Butte
   D. Landowner Siting Development

II. Conclusion

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Grasslands Update

Gordon Butte Pumped Storage Hydro (Preliminary Permit Issued May 2010)

July 2010 (Garcia/Hydro Solutions) (1) environmental; (2) historical studies, and (3) water rights evaluation

Preliminary Engineering and Design (Stanley, Barnard, Voith-Siemens) (August 10)

Revenue/Market (HDR/DTA) (September 10)

Begin Licensing 1Q / 2011

Coffin Butte Pumped Storage Hydro

Filed Preliminary Permit Application (August 2010)

Preliminary Permit Issued (December 2010)

Grasslands Northern Plains Intertie

Submission of Statement Of Interest to WAPA's Transmission Infrastructure Program

Grasslands signs Memorandum Of Understanding with WAPA (May 2010)

Business Case Development (HDR) (Fall 2010)

Transmission Right Of Way Development (Central Montana)

Conducting structured focus groups with potentially affected landowners and communities

Developing new payment models

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GB Energy Park

Gordon Butte Pumped Storage Project is a proposed closed loop pumped storage hydro project located in central Montana about 3 miles west of the small town of Martinsdale.

The project is located on privately owned land, taking advantage of the geographical features of Gordon Butte. The project is currently sized at 400MW+/- (10.5 Hours)

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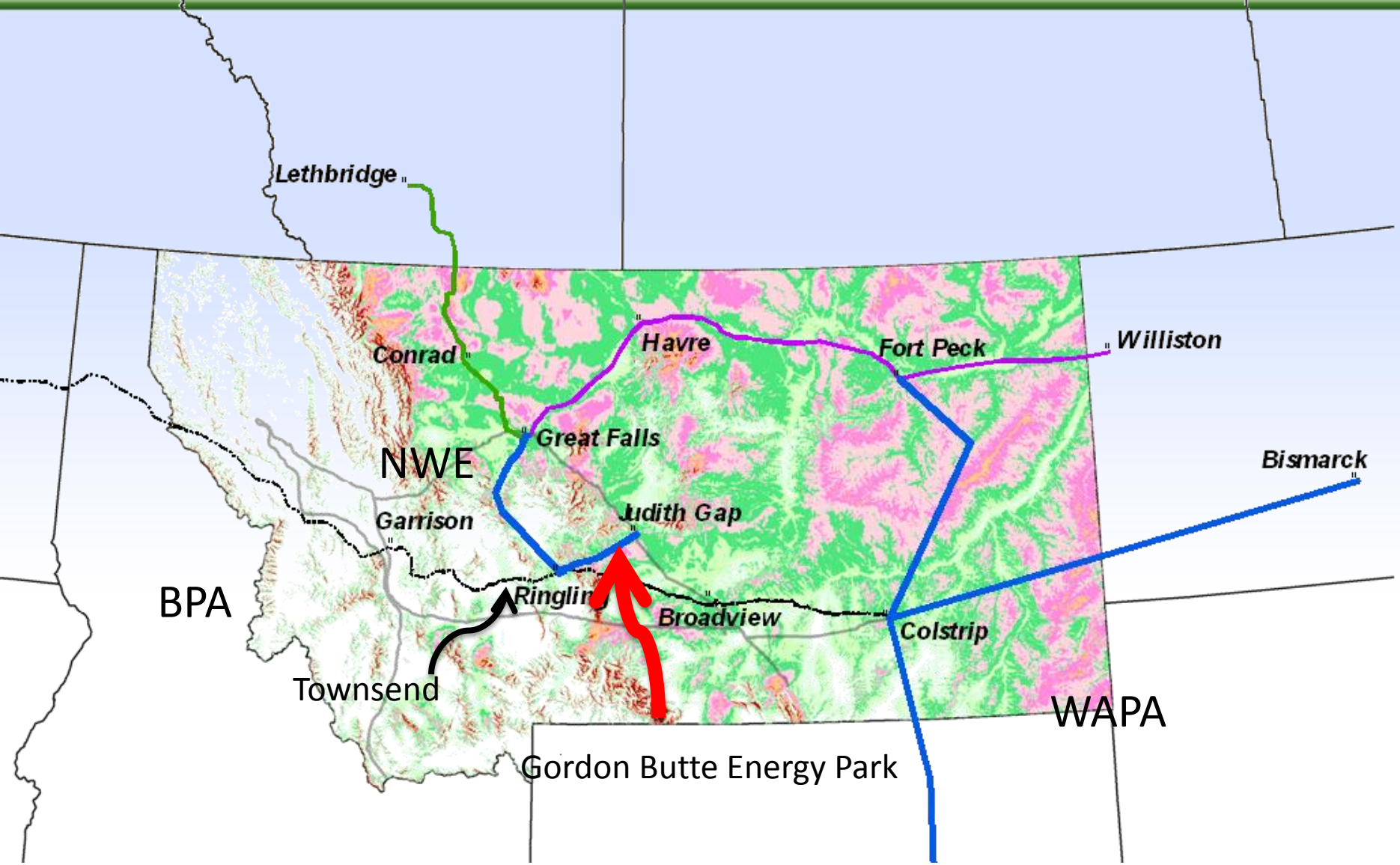

Geographic Attractiveness of the Gordon Butte Location

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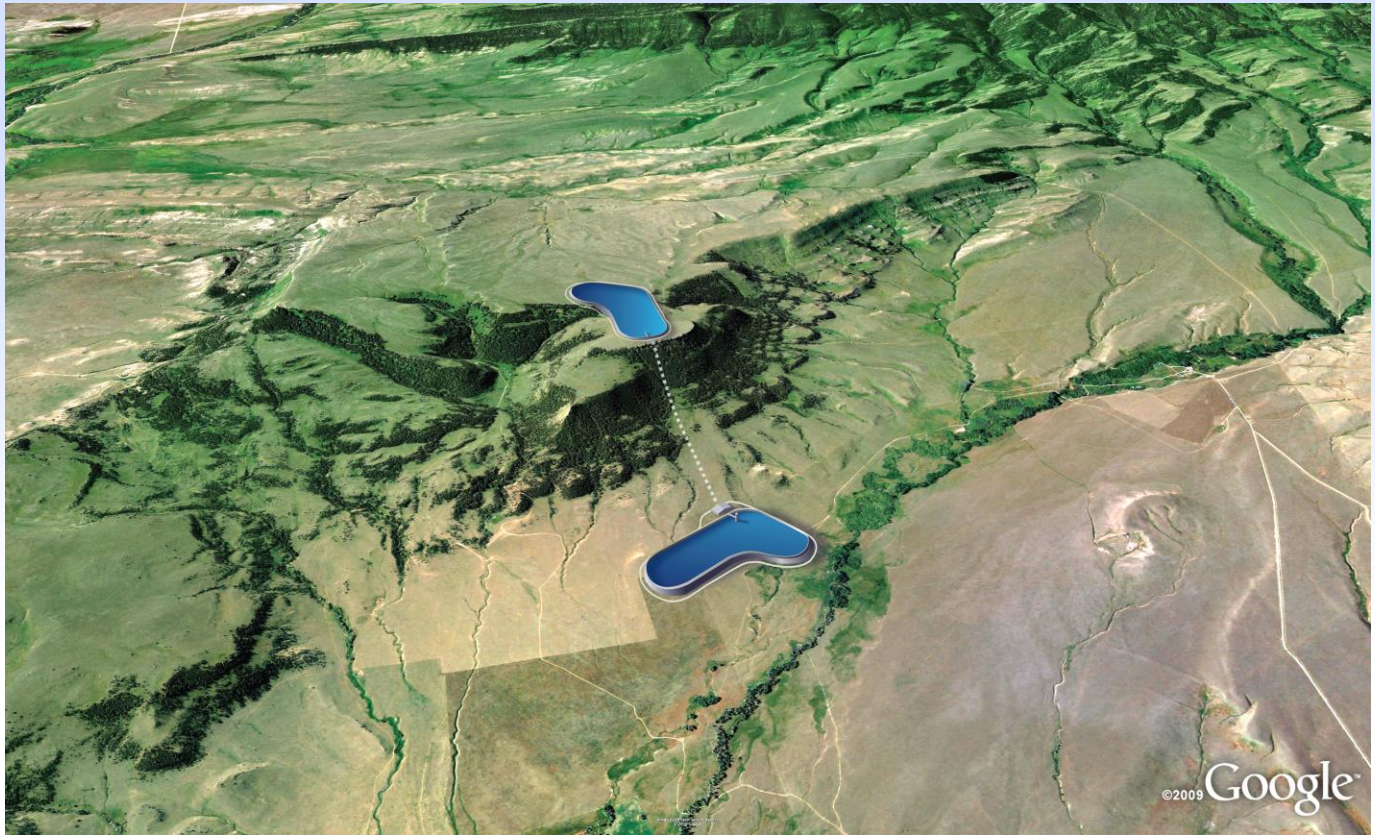
Coffin Butte Pumped Storage Hydro



On December 9th, 2010, we received the FERC preliminary permit for our second closed loop pumped storage hydro project located in Wheatland County, Montana. This 250MW (12 Hour) project is located on private land.

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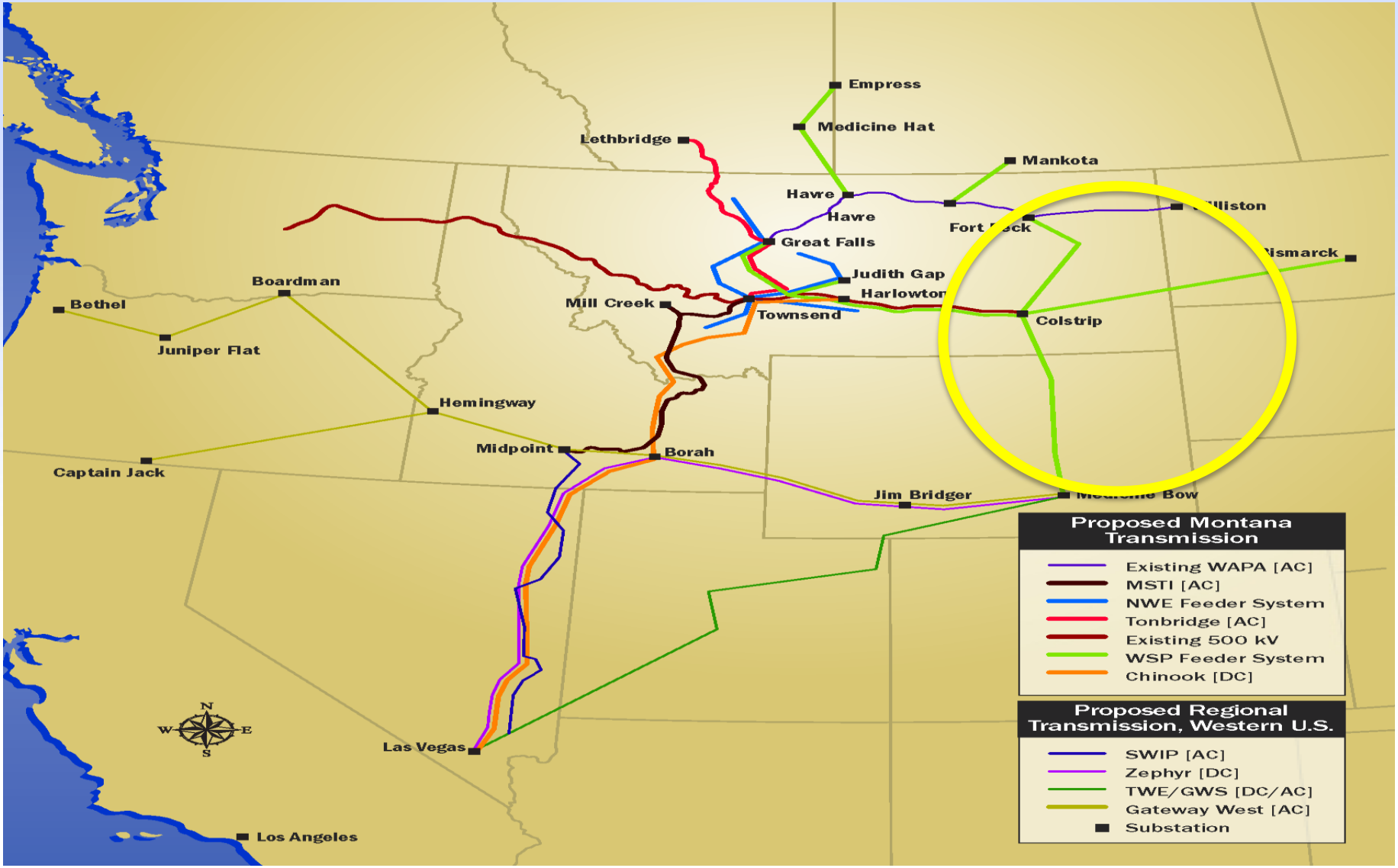

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Update – MOU with WAPA

(Original SOI submission Lines in Green)

Colstrip South

Wyoming Projects more viable

Wyoming/Montana Diversity benefit

DC footprint less obtrusive

Connection to Colstrip improves reliability and creates capacity in existing system

Connection creates market opportunity for those involved in the region

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Colstrip East

Connection to MISO creates reliability benefits

Connection creates market opportunities

Diversity benefit in North Dakota to Montana Wind

Good local generator support for wind projects

Disadvantage: high cost to move wind

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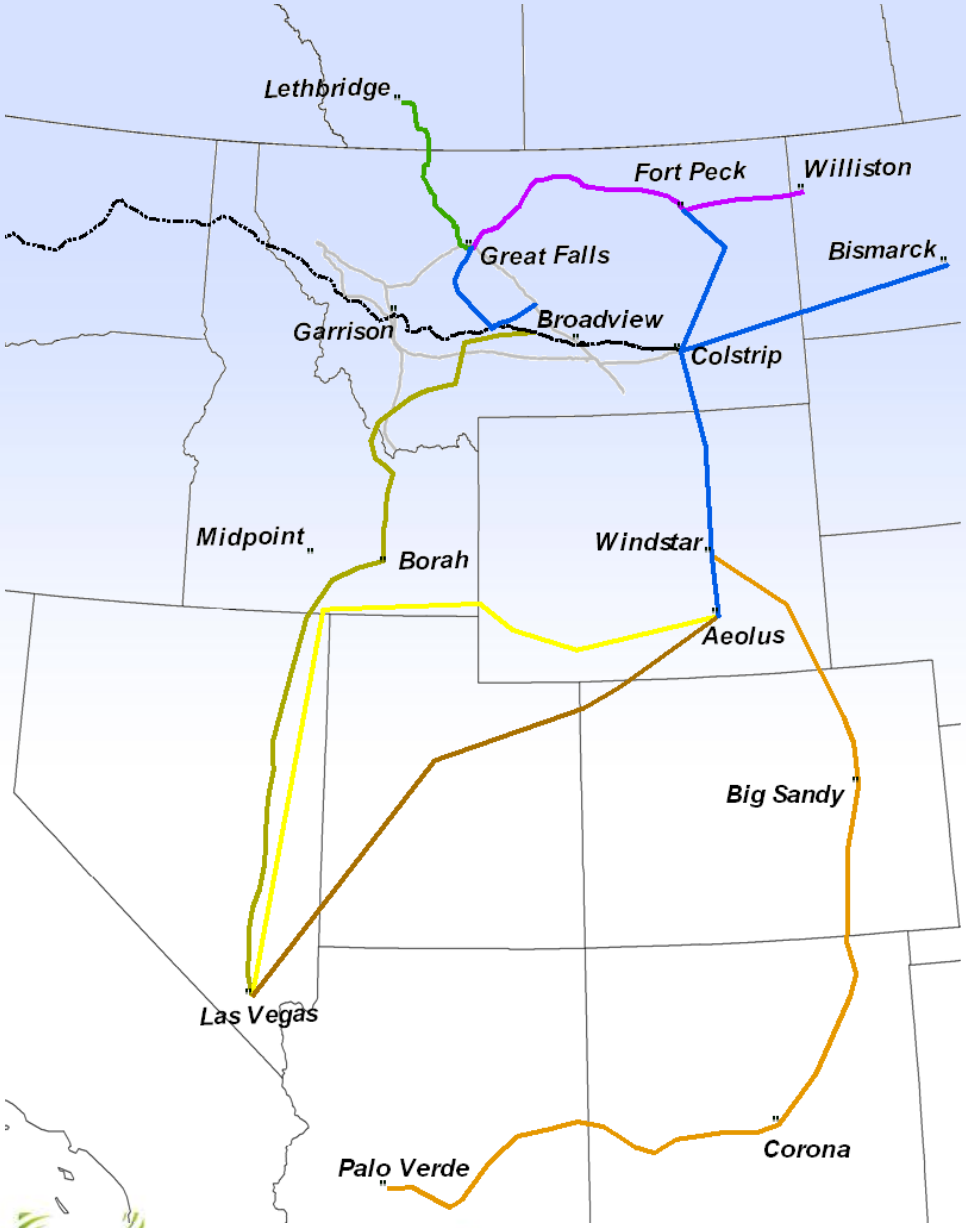

Ft Peck to Colstrip

Ties into existing Western transmission – better utilization

Connecting to a high capacity and development attractive resource near Circle

Creates a loop around Montana – better reliability and utilization of Western system

Potential utilization North for oil and gas load in North Dakota/NE Montana

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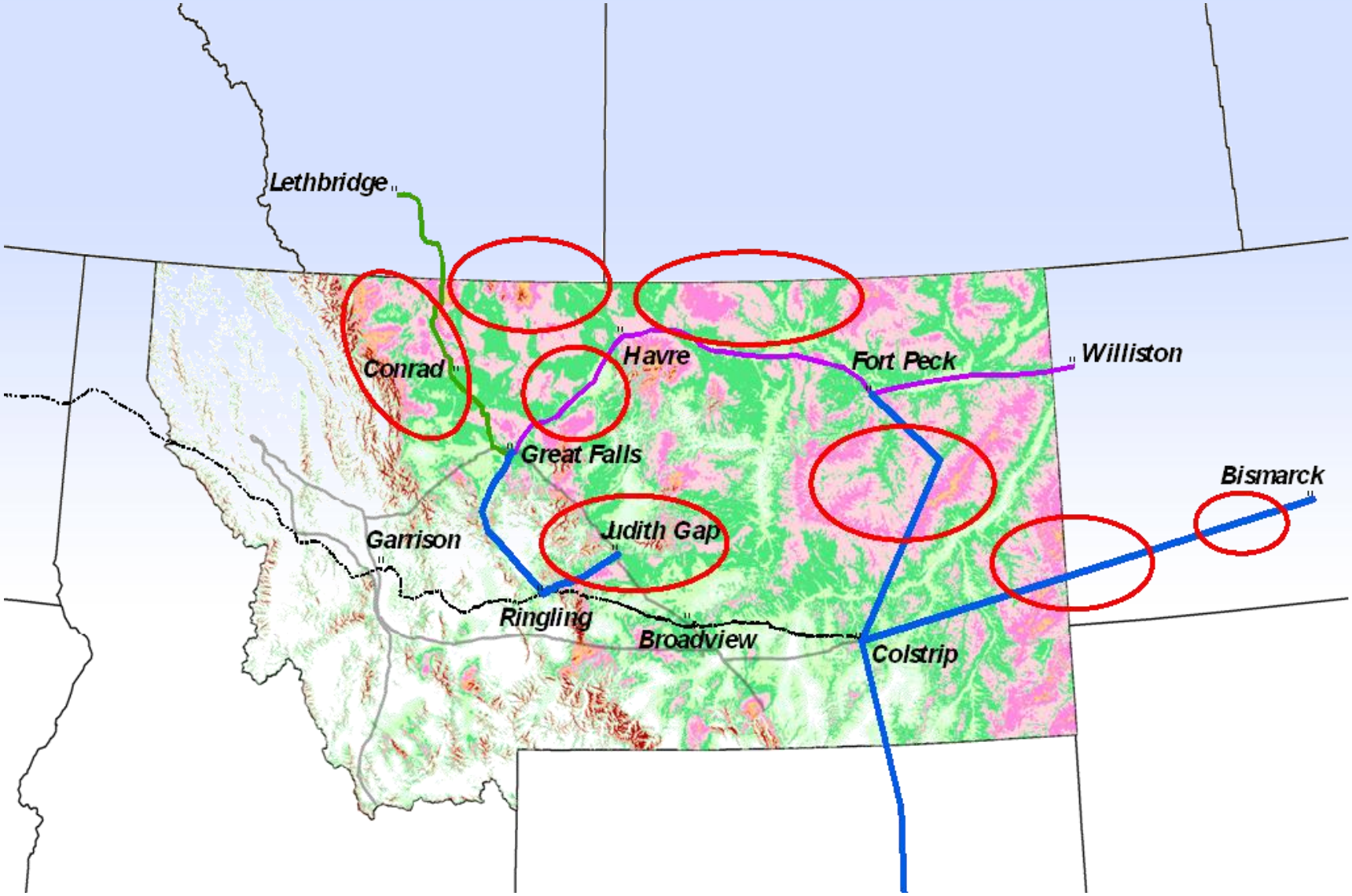

Update -- Wind Development Areas (LOI Signatories/Developers)

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Transmission Right Of Way Development (Central Montana)

- Early Landowner / Community Engagement
- Core Group of Large Landowners
- Focus Group Landowner Meetings (Meagher & Wheatland Counties)
- Option Easement Agreement Development

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Thank You

With questions or comments, please contact:

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